

Art Dealers & Galleries

Brief description of the industry

Art dealers selling Work of Arts. The 5th AMLD has singled out persons trading or acting as intermediaries in works of art, including when this is carried out by art galleries and auction houses, where the transaction or serious of linked transactions amount to €10,000. Such entities or sole traders will be considered as “subject persons/obliged entities” with reporting obligation under the AML/CFT regulation within EU.

Additional Due Diligence and Conditions applicable

- MCC 5971
- For UK Art Galleries or Dealers if the merchant wants to export the object a license is required.
- Merchant is to provide an explanation on the checks performed on customers buying auction items. Alternatively, they can provide the AML/FT policy (if applicable).
- Underwriters may request Certificates of Authenticity for high value items at their discretion.
- AML Policy mandatory.
- Underwriters may request Certificates of Authenticity for high value items at their discretion, or sample supplier invoices or agreement to verify that the goods are not replicas.
- Processing history for the last 3 months (minimum period).

Geographic Restrictions/BIN Blocks applicable

- No default blocking but case on case basis based on findings.

Risk Mitigation

- Only domestic traffic shall be allowed for Art Galleries Terms on an account are set at the discretion of the Underwriter. Where shipping is involved recommend a 5% Rolling reserve over 180 days.
- Shipping Policy and Payment Page must include only the country of registration.
- 3DS is mandatory.
- The underwriter shall review the delivery process of the merchant in consideration to determine the appropriate terms to propose.
- Minimum funding delay shall be of 5 days.

